



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

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COMMISSIONER

**FOR IMMEDIATE RELEASE
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August Revenues

Nashville – On an accrual basis, August is the first month in the 2002-2003 fiscal year. Department of Revenue collections were \$602.9 million. The collections include new revenue collected under the Tax Reform Act of 2002.

August revenues were \$3.6 million less than the budgeted estimate, Finance and Administration Commissioner Warren Neel announced today. The general fund had a \$5.9 million undercollection and the other four funds had a net overcollection of \$2.3 million.

Sales tax collections were \$4 million less than the estimate. Adjusted for the rate change and the single article cap, there was no growth in sales tax collections for the month.

Franchise and excise taxes combined were \$1.9 million more than the estimate of \$18.8 million for the month.

Gasoline taxes and motor vehicle registration collections were \$3.5 million more than the budgeted estimate of \$87.3 million.

Inheritance taxes were overcollected by \$7.1 million for the month and all other taxes were undercollected by a net of \$12.1 million.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 102nd General Assembly in June of this year.

<p style="text-align: center;">REVENUE COLLECTIONS AUGUST, 2002</p>

August Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$483,175,000	\$477,273,000	(\$5,902,000)
Highway Fund	50,515,000	52,595,000	2,080,000
Sinking Fund	18,811,000	18,775,000	(36,000)
City & County Fund	51,555,000	52,128,000	573,000
Earmarked Fund	2,529,000	2,168,000	(361,000)
Total	\$606,585,000	\$602,939,000	(\$3,646,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August		Change	Percent
	2001	2002		
Franchise & Excise	\$17,255,000	\$20,719,000	\$3,464,000	20.08%
Income	2,224,000	(615,000)	-2,839,000	-127.65%
Inheritance & Estate	7,325,000	14,356,000	7,031,000	95.99%
Gasoline	50,602,000	54,179,000	3,577,000	7.07%
Petroleum Special	7,568,000	5,308,000	-2,260,000	-29.86%
Tobacco	7,831,000	7,309,000	-522,000	-6.67%
Beer	1,383,000	1,448,000	65,000	4.70%
Motor Vehicle Registration	15,831,000	15,719,000	-112,000	-0.71%
Motor Vehicle Title	980,000	929,000	-51,000	-5.20%
Mixed Drink	2,803,000	3,007,000	204,000	7.28%
Business	303,000	373,000	70,000	23.10%
Privilege	14,008,000	14,349,000	341,000	2.43%
Gross Receipts	13,204,000	10,062,000	-3,142,000	-23.80%
TVA - In Lieu of Tax Payments	16,130,000	16,544,000	414,000	2.57%
Alcoholic Beverage	2,049,000	1,951,000	-98,000	-4.78%
Sales and Use	381,550,000	421,658,000	40,108,000	10.51%
Motor Vehicle Fuel	10,895,000 *	15,570,000	4,675,000	42.91%
Severance	102,000	63,000	-39,000	-38.24%
Coin-operated Amusement	5,000	10,000	5,000	100.00%
Total	\$552,048,000	\$602,939,000	\$50,891,000	9.22%

* Motor Vehicle Fuel collections exclude a one-time increase of \$26,568,000 to be accrued at June 30 in the prior fiscal year.

Table 2
August Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (3,900,000)	\$ (100,000)	\$ (4,000,000)
Income Tax	(1,500,000)	(800,000)	(2,300,000)
Inheritance Tax	7,100,000	0	7,100,000
Privilege Tax	(1,500,000)	(300,000)	(1,800,000)
Gasoline & Motor Vehicle Registration	(200,000)	3,700,000	3,500,000
Other Taxes	<u>(7,800,000)</u>	<u>(200,000)</u>	<u>(8,000,000)</u>
Sub-Total	\$ (7,800,000)	\$ 2,300,000	\$ (5,500,000)
F & E Taxes	<u>1,900,000</u>	<u>0</u>	<u>1,900,000</u>
Total	<u><u>\$ (5,900,000)</u></u>	<u><u>\$ 2,300,000</u></u>	<u><u>\$ (3,600,000)</u></u>